

SENATE BILL NO. 323

INTRODUCED BY LASLOVICH, MACLAREN, THOMAS, KLOCK, SMITH, HARRINGTON, HANSEN,
RIPLEY, LEWIS, WELLS, J. PETERSON, OLSON, HINER, SMALL-EASTMAN, KEANE, GEBHARDT,
BRUEGGEMAN, SONJU, NOONEY, PARKER, STEINBEISSER, PERRY, L. JONES, O'HARA, BLACK,
KITZENBERG, BERGREN, BARKUS, WINDY BOY, BLASDEL, MCNUTT, MILBURN, STAHL

A BILL FOR AN ACT ENTITLED: "AN ACT PROVIDING THAT A CERTIFICATE OF PUBLIC ADVANTAGE MAY
NOT BE ISSUED FOR A TERM IN EXCESS OF 10 YEARS AND MUST TERMINATE NO LATER THAN 10
YEARS AFTER THE DATE OF ISSUANCE; REQUIRING A PRIOR CERTIFICATE HOLDER TO REPORT
CERTAIN INFORMATION TO THE DEPARTMENT OF JUSTICE FOR 2 YEARS FOLLOWING THE
TERMINATION OF A CERTIFICATE OF PUBLIC ADVANTAGE; AMENDING SECTION 50-4-603, MCA; AND
PROVIDING AN IMMEDIATE EFFECTIVE DATE AND A RETROACTIVE APPLICABILITY DATE."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

Section 1. Section 50-4-603, MCA, is amended to read:

**"50-4-603. Certificate of public advantage -- standards for certification -- time for action by
department -- duration of certificate.** (1) Parties to a cooperative agreement, merger, or consolidation may
apply to the department for a certificate of public advantage. The application for a certificate must include a copy
of the proposed or executed cooperative, merger, or consolidation agreement, a description of the scope of the
cooperation, merger, or consolidation contemplated by the agreement, and the amount, nature, source, and
recipient of any consideration passing to any person under the terms of the agreement.

(2) The department shall hold a public hearing on the application for a certificate before acting upon the
application. The department may not issue a certificate unless the department finds that the agreement is likely
to result in lower health care costs or is likely to result in improved access to health care or higher quality health
care without any undue increase in health care costs. If the department denies an application for a certificate for
an executed agreement, the agreement is void upon the decision of the department not to issue the certificate.
Parties to a void agreement may not implement or carry out the agreement. The parties to a void agreement may
submit a new application for a certificate based upon a cooperative agreement, merger, or consolidation different
from the original application.

(3) The department shall deny the application for a certificate or issue a certificate within 90 days of receipt of a completed application or within one 90-day extension, which may be granted by the department upon a showing of good cause by the applicants. If the department does not issue a certificate within that time, the application is considered to have been denied. A certificate may be issued subject to terms and conditions, as the department may determine are appropriate, in order to best achieve lower health care costs or greater access to or quality of health care.

(4) Any amendment to a cooperative, merger, or consolidation agreement ~~and or~~ any material change in the operations or conduct of any party to a cooperative, merger, or consolidation agreement is considered to be a new agreement and may not take effect or occur until the department has issued a new certificate of public advantage approving the amendment or change.

(5) A certificate of public advantage may not have a duration of more than 10 years from the date of issuance. Unless terminated sooner, a certificate of public advantage terminates on the date 10 years from the date of issuance. FOR 2 YEARS IMMEDIATELY FOLLOWING THE TERMINATION OF A CERTIFICATE OF PUBLIC ADVANTAGE, THE PRIOR CERTIFICATE HOLDER SHALL, ON AN ANNUAL BASIS, REPORT TO THE DEPARTMENT INFORMATION REGARDING:

(A) QUALITY OF HEALTH CARE;

(B) ACCESS TO HEALTH CARE;

(C) PATIENT SAFETY;

(D) PATIENT SATISFACTION;

(E) HEALTH CARE SERVICE CHANGES, ADDITIONS, AND DELETIONS; AND

(F) COST COMPARISONS BASED ON SIMILARLY SITUATED HEALTH CARE FACILITIES."

NEW SECTION. Section 2. Effective date. [This act] is effective on passage and approval.

NEW SECTION. Section 3. Retroactive applicability. [This act] applies retroactively, within the meaning of 1-2-109, to all certificates of public advantage issued prior to [the effective date of this act].

- END -